



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

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Joint Application of Southern California  
Edison Company (U 338-E) and San Diego  
Gas & Electric Company (U 902-E) For the  
2021 Nuclear Decommissioning Cost  
Triennial Proceeding.

Application No. 22-02-\_\_\_\_

**JOINT APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)  
AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR THE 2021 NUCLEAR  
DECOMMISSIONING COST TRIENNIAL PROCEEDING**

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Pursuant to the California Public Utilities Commission (CPUC or Commission) Rules of Practice & Procedure, Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) (hereinafter collectively referred to as the “Utilities”), hereby respectfully submit the following Joint Application for the 2021 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP).

**I.**

**SUMMARY OF REQUEST FOR RELIEF**

In this Joint Application and the supporting testimony, the Utilities jointly request that the Commission:

- 1) Approve as reasonable \$3.11 million (100% share, 2014 \$) incurred for San Onofre Nuclear Generating Station Unit 1 (SONGS 1)<sup>1</sup> decommissioning projects that were completed during January 1, 2018 through December 31, 2020 (the 2018-2020 review period) and for undistributed decommissioning expenditures incurred during the same period;

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<sup>1</sup> SCE holds an 80% interest and SDG&E holds a 20% interest in SONGS 1 decommissioning liability.

- 2) Approve as reasonable \$606.7 million<sup>2</sup> (100% share, 2014 \$) incurred for SONGS 2&3<sup>3</sup> projects that were completed during the 2018-2020 review period and for undistributed decommissioning expenditures incurred during the same period;
- 3) Find that the SCE 2020 SONGS 1 decommissioning cost estimate (DCE) of \$225.9 million (100% share, 2014 \$) is reasonable;
- 4) Find that the 2020 SONGS 2&3 DCE of \$4,712 million (100% share, 2014 \$) is reasonable;<sup>4</sup> and
- 5) Find that the Utilities are compliant with prior Commission NDCTP decisions and approve the 2021 Reasonableness Framework (a.k.a. Milestone Framework).

In addition, SCE separately requests that the Commission:

- 1) Find that the 2019 Palo Verde Nuclear Generating Station Units 1, 2, & 3 (PVNGS) DCE of \$594.2 million (SCE share, 2019 \$) is reasonable;
- 2) Approve SCE's request to maintain its annual contributions to the SONGS 1, SONGS 2&3, and PVNGS Nuclear Decommissioning Trusts (NDTs) at \$0.00 (zero dollars), based upon the current DCEs for SONGS 1, SONGS 2&3, and PVNGS, balances as of June 30, 2021 in the SONGS 1, SONGS 2&3, and PVNGS NDTs, projected escalation rates, and current financial assumptions; and
- 3) Authorize SCE to deposit SONGS' U.S. Department of Energy (DOE) litigation proceeds into the Non-Qualified Nuclear Decommissioning Trusts (NQNDTs) instead of refunding the amount of those proceeds to customers through the Energy Resource Recovery Account (ERRA) as is SCE's current practice.

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<sup>2</sup> The SONGS 2&3 expenses include undistributed costs and the distributed costs for completed Major Projects during 2018-2020 as detailed in Application (A.) 18-03-009 Milestone Framework testimony (Exhibit SCE-SDGE-01).

<sup>3</sup> SCE holds an approximately 75.74% interest, SDG&E holds a 20% interest, the City of Anaheim holds an approximately 2.47% interest, and the City of Riverside holds a 1.79% interest in SONGS 2&3 decommissioning liability, respectively.

<sup>4</sup> As the 2020 SONGS 2&3 DCE is the most recently prepared DCE, it will serve as the basis for the cash flow utilized in future fall Tier 2 Advice Letter filings.

In addition, SDG&E separately requests that the Commission:

- 1) Approve as reasonable the SCE 2020 SONGS 1 DCE for remaining SONGS 1 decommissioning work and SDG&E's 20% share of the costs (\$45.2 million, 2014 \$);<sup>5</sup>
- 2) Approve as reasonable the 2020 SONGS 2&3 DCE for SONGS 2&3 decommissioning work and SDG&E's 20% share of the costs (\$942.4 million, 2014 \$);<sup>6</sup>
- 3) Approve as reasonable the \$19.4 million (SDG&E share, 2014 \$) estimate of future SDG&E-only costs for SONGS 1 and SONGS 2&3;<sup>7</sup>
- 4) Approve SDG&E's request to maintain its annual contributions to its SONGS 1 NDTs at \$0.00 (zero dollars), based upon the current estimate of decommissioning costs for SONGS 1, current level of funding of the SONGS 1 NDTs, projected escalation rates, and current financial assumptions;<sup>8</sup>
- 5) Approve SDG&E's request to maintain its annual contributions to its SONGS 2&3 NDTs at \$0.00 (zero dollars), based upon the current estimate of decommissioning costs for SONGS 2&3, current level of funding of the SONGS 2&3 NDTs, projected escalation rates, and current financial assumptions;<sup>9</sup>
- 6) Approve as reasonable the \$0.7 million (SDG&E share, 2014 \$) for SONGS 1 decommissioning expenses invoiced to SDG&E by SCE for completed distributed activities and undistributed costs for the 2018-2020 review period;<sup>10</sup>
- 7) Approve as reasonable the \$118.3 million (SDG&E share, 2014 \$) for SONGS 2&3 decommissioning expenses invoiced to SDG&E by SCE for

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<sup>5</sup> Exhibit SDGE-03, p. 1.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> Exhibit SDGE-04, p. 2.

<sup>9</sup> Exhibit SDGE-04, p. 3.

<sup>10</sup> Exhibit SDGE-02, p. 1.

completed distributed activities and undistributed costs for the 2018-2020 review period;<sup>11</sup>

- 8) Approve as reasonable the \$4.5 million (2014 \$) in SDG&E-only costs for SONGS incurred during the 2018-2020 review period;<sup>12</sup> and
- 9) Authorize SDG&E to deposit DOE litigation proceeds into the NQNDTs.<sup>13</sup>

## II.

### **DISCUSSION**

#### **A. This Joint Application Is Consistent With The Objectives Of The NDCTP**

As provided in the California Nuclear Facility Decommissioning Act of 1985 (Decommissioning Act)<sup>14</sup> and Commission precedent, the objectives of this NDCTP are to set the annual revenue requirements for the decommissioning trusts for the nuclear power plants owned by the Utilities, including review of the DCEs and financial assumptions for reasonableness, and to determine whether the expenses incurred by the Utilities for decommissioning activities are reasonable and prudent.<sup>15</sup> This Joint Application, the Utilities' supporting testimony, the updated DCEs, and the accompanying analyses meet these objectives.

#### **B. This Joint Application Is Consistent With Other Federal And State Requirements**

In addition, this Joint Application demonstrates compliance with other various federal and state requirements that the Utilities must fulfill to decommission SONGS, and SCE must fulfill to decommission PVNGS.

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<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Exhibit SDGE-01, pp. 14-16.

<sup>14</sup> Cal. Pub. Util. Code § 8321, et seq.

<sup>15</sup> Cal. Pub. Util. Code §§ 8326-8327; Decision (D.) 21-12-026, pp. 5-7.

As holders of Nuclear Regulatory Commission (NRC) licenses for SONGS, the Utilities have an unavoidable obligation, under NRC regulations, to decommission SONGS.<sup>16</sup> The Utilities' customers are required to provide funding to decommission SONGS.<sup>17</sup> In addition, the Utilities do not own the site upon which SONGS is located. Instead, they are authorized to use the site under grants of easement and leases from the U.S. Department of the Navy and the California State Lands Commission. The SONGS site leases and grants of easement also require the Utilities to decommission the SONGS facility.<sup>18</sup>

As a holder of an NRC license for PVNGS, SCE also has an unavoidable obligation, under NRC regulations, to decommission PVNGS. Similarly, SCE's customers are required to provide funding to decommission SCE's share of PVNGS.

### **III.**

#### **STATUTORY AND REGULATORY REQUIREMENTS**

##### **A. Statutory And Regulatory Authority**

Rule 2.1 requires that all applications: (1) clearly and concisely state the authorization or relief sought; (2) cite the statutory or other authority under which that authorization or relief is sought; and (3) be verified by the applicant. Rules 2.1(a), 2.1(b), and 2.1(c) set forth further requirements that are addressed separately below. The authorization and relief being sought is summarized above in Section I and is further described in the supporting testimony, which is preliminarily identified in Section III.D. below.

This Joint Application is made pursuant to California Public Utilities Code Sections 451, 454, 701, and 8321, et seq. In addition, this Joint Application complies with Commission's

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<sup>16</sup> 10 C.F.R. § 50.2 defines decommissioning as "to remove a facility or site safely from service and reduce residual radioactivity to a level that permits – (1) release of the property for unrestricted use and termination of the license ...." 10 C.F.R. § 50.82(a)(3) provides that "[d]ecommissioning will be completed within 60 years of permanent cessation of operations."

<sup>17</sup> Cal. Pub. Util. Code §§ 8322, 8325, and 8328.

<sup>18</sup> Upon termination of the leases and grants of easement, the Utilities are required to remove all improvements they installed or constructed on the site, return the site to the condition satisfactory to the lessor or grantor, and return the site to the lessor or grantor.



Rules of Practice and Procedure, and the prior decisions, orders, and resolutions of the Commission.

The Utilities demonstrate compliance with the Commission rules applicable to the Joint Application as follows.

**B. Commission Rules for Applications**

**1. Rule 2.1 – Contents**

Rule 2.1 requires:

All applications shall state clearly and concisely the authorization or relief sought; shall cite by appropriate reference the statutory provision or other authority under which Commission authorization or relief is sought; shall be verified by at least one applicant ... ; and ... shall state the following: (a) [applicant information]; (b) [applicant service information]; (c) The proposed category for the proceeding, the need for hearing, the issues to be considered including relevant safety considerations, and a proposed schedule. ... ; (d) Such additional information as may be required by the Commission in a particular proceeding.

**a) Applicant Information and Service Information**

**(1) SCE**

SCE's full legal name is Southern California Edison Company.

SCE is a public utility organized and existing under the laws of the State of California. The location of SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, 91770, and its post office address and telephone number are:

Southern California Edison Company  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-1212

Please address correspondence, communications, and service of papers regarding this Application to SCE at:

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Southern California Edison Company  
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Case Administration  
Southern California Edison Company  
8631 Rush Street  
Rosemead, CA 91770  
E-mail: Case.Admin@sce.com

**(2) SDG&E**

SDG&E is a corporation organized and existing under the laws of the state of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. The exact legal name of the Applicant is San Diego Gas & Electric Company. The location of SDG&E's principal place of business is 8330 Century Park Court, San Diego, California 92123.

Please address correspondence, communications, and service of papers regarding this Application to SDG&E at:

Sabrina O'Mahony  
Regulatory Case Manager  
San Diego Gas & Electric Company  
8330 Century Park Court, CP32F  
San Diego, California 92123  
Telephone: (619) 676-8683  
Email: somahony@sdge.com

With copies to:

Allen K. Trial  
Attorney for San Diego Gas & Electric Company  
8330 Century Park Court, CP32D  
San Diego, California 92123  
Telephone: (858) 654-1804  
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**b) Proposed Categorization**

California Public Utilities Code § 1701.1(c)(3) defines ratesetting as “cases in which rates are established for a specific company, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.”

The Utilities propose this Joint Application be designated as a “ratesetting” proceeding because the NDCTP generally involves rate issues. Since the Joint Application does not presently request a rate increase, however, the Utilities are not providing documents required under Rule 3.2 for such applications.

**c) Proposed Schedule And Issues To Be Considered**

The Utilities anticipate that hearings will be necessary in this proceeding, and propose a procedural schedule, as shown below.

SCE and SDG&E Joint Application Filed / Supporting Testimony Submitted	February 28, 2022
Application Noticed on CPUC Daily Calendar	March 7, 2022 <sup>19</sup>
Protests/Responses to Application(s)	April 6, 2022
Replies to Protests/Responses to Application(s)	April 18, 2022
Prehearing Conference	TBD
Workshop(s)	TBD
Intervenor Testimony	June 28, 2022
Rebuttal Testimony	August 2, 2022

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<sup>19</sup> The Utilities assume this date for purposes of this proposal and note that any change to this date may affect the deadlines proposed herein.

Parties Meet and Confer per Rule 13.9	August 12, 2022
Evidentiary Hearings	August 31 and September 1, 2022
Opening Briefs	October 31, 2022
Reply Briefs	November 30, 2022
Proposed Decision Issued	Q1 2023

SCE proposes holding one or more workshops to provide an overview of the Application and supporting testimony submitted by the Utilities, including overviews of the SCE 2020 SONGS 1 DCE, the 2020 SONGS 2&3 DCE, and the 2019 PVNGS DCE, as well as the recorded costs under reasonableness review. SCE believes that the workshop(s) will facilitate the Commission's and intervenors' understanding and review of these materials.

In general, the issues to be considered are discussed in Sections I and II above, and in more detail in the supporting testimony served by the Utilities concurrently with this Application.

**d) Disadvantaged Communities and Safety**

This Joint Application concerns cost estimates of nuclear decommissioning at SONGS and PVNGS, reasonableness reviews of incurred decommissioning costs, and the sufficiency of NDTs. As such, it does not relate to or impact disadvantaged communities.

Pursuant to Rule 2.1(c), this Application must address "relevant safety considerations." In response thereto, the Utilities provide the following information regarding safety considerations.

**(1) The NDCTP Historically Considers Ratemaking And Cost-Recovery Issues**

As noted above, the NDCTP historically considers the sufficiency of the Utilities' NDTs for estimated decommissioning costs, including the adequacy of customer contribution levels, and the reasonableness of activities and recorded expenditures incurred by

the Utilities during active decommissioning. Accordingly, in this proceeding, the Commission is primarily considering the prudence and reasonableness of the Utilities' decommissioning cost estimates, activities, and costs.

## **(2) Radiological Health And Safety Issues**

The NRC exercises exclusive jurisdiction for radiological health and safety issues. As decommissioning agent and lead licensee, SCE is responsible for complying with the NRC's rules and regulations to ensure the radiological health and safety of the public. The NRC rules and regulations preempt any state regulation of these issues. The Atomic Energy Act (AEA)<sup>20</sup> created a comprehensive and pervasive program of federal regulation and licensing that permitted the private use, control, ownership, operation, and decommissioning of commercial nuclear power plants.<sup>21</sup> The AEA gave the federal government "exclusive jurisdiction to license the transfer, delivery, receipt, acquisition, possession, and use of nuclear materials," and regarding these subjects, "no role was left for the States."<sup>22</sup> The AEA specifically authorizes the NRC to regulate the construction, operation, and decommissioning of nuclear reactor facilities in order to protect the public health and safety from radiological risks, and provides that the NRC may not cede this authority.<sup>23</sup> In particular, the NRC's "prime area of concern in the licensing context[] ... is national security, public health, and safety."<sup>24</sup> Further, Congress' decision to foreclose "States from conditioning the operation of nuclear plants on compliance with state-imposed safety standards" is based on "its belief that the [NRC] was more qualified to determine what type of safety standards should be enacted in this complex area."<sup>25</sup> This precludes the state from interfering with the NRC's jurisdiction over aspects of SONGS and

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<sup>20</sup> Atomic Energy Act, 42 U.S.C. Chapter 23.

<sup>21</sup> *Duke Power Co. v. Carolina Envtl. Study Grp. Inc.*, 438 U.S. 59, 63 (1978).

<sup>22</sup> *Pac. Gas & Electric Co. v. State Energy Res. Conserv. & Dev. Comm'n*, 461 U.S. 190, 207 (1983) (citing 42 U.S.C. §§ 2014(e), (z), (aa), 2061-2064, 2071-2078, 2091-2099, 2111-2114).

<sup>23</sup> See 42 U.S.C. § 2021(c)(1).

<sup>24</sup> *Pac. Gas*, 461 U.S. at 207 (internal quotation marks and citation omitted).

<sup>25</sup> *Silkwood v. Kerr-McGee Corp.*, 464 U.S. 238, 250-251 (1984).

PVNGS decommissioning operations relating to radiological health and public safety issues, including spent fuel management practices.

Second, in keeping with its broad statutory mandate under the AEA, the NRC has established a correspondingly comprehensive and pervasive regulatory framework for addressing, among other matters, the decommissioning of nuclear power reactors. Licensees are required under NRC regulations to remove a nuclear power reactor safely from service and reduce the residual radioactivity to a level that permits unrestricted or restricted use following permanent shutdown (10 C.F.R. § 50.2). 10 C.F.R. § 50.82 (Termination of License) provides the required steps for permanently shutting down a reactor, decommissioning a reactor, and terminating the reactor's operating license. For example, the NRC requires licensees to submit a Post-Shutdown Decommissioning Activities Report (PSDAR),<sup>26</sup> Irradiated Fuel Management Plan (IFMP),<sup>27</sup> and DCE for the NRC's review.<sup>28</sup> In addition, about two years before the end of the decommissioning process, the licensee is required to submit a license termination plan that describes the remaining decommissioning activities and provides a final site survey to terminate the plant's operating licenses pursuant to 10 C.F.R. § 50.82(a)(11).

During permanent shutdown and decommissioning, licensees continue to be regulated by the NRC under some of the same regulations that were in effect when the nuclear plant was in operation. The regulations in 10 C.F.R. include, but are not limited to:

- § 20 – Standards for Protection Against Radiation
- § 50 – Domestic Licensing of Production and Utilization Facilities
- § 51 – Environmental Protection Regulations For Domestic Licensing and Related Regulatory Functions

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<sup>26</sup> 10 C.F.R. § 50.82(a)(4)(i).

<sup>27</sup> 10 C.F.R. § 50.54(bb).

<sup>28</sup> 10 C.F.R. § 50.82(a)(8)(iii) & (iv).

- § 72 – Licensing Requirements for the Independent Storage of Spent Nuclear Fuel, High Level Radioactive Waste, and Reactor-Related Greater Than Class C Waste
- § 73 – Physical Protection of Plants and Materials

In support of regulatory requirements during permanent shutdown and decommissioning, the NRC provides licensees with guidance for satisfying the regulations in regulatory guides and NUREGs that further demonstrate the pervasiveness of the NRC's regulation of decommissioning. Some of the guidance documents include:

- Regulatory Guide 1.184 – Decommissioning of Nuclear Power Reactors
- Regulatory Guide 1.179 – Standard Format and Content for License Termination Plans for Nuclear Power Reactors
- Regulatory Guide 1.191 – Fire Protection Program for Nuclear Power Plants During Decommissioning and Permanent Shutdown
- NUREG-0586 – Final Generic Environmental Impact Statement on Decommissioning of Nuclear Facilities

In addition to the regulations and guidance for decommissioning, NRC staff will continue to inspect a decommissioning nuclear power plant. After a licensee has certified to the NRC that all fuel has been removed from the reactor, the NRC implements an inspection program designed for decommissioning nuclear power plants until the license is terminated.<sup>29</sup> The objective of the inspections is to ensure the reactor is decommissioned safely, spent fuel is stored safely, and site operations and license termination activities comply with regulatory requirements, licensee commitments, and management controls. Some of the areas of inspection by the NRC include:

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<sup>29</sup> NRC Inspection Manual, IMC 2561, Decommissioning Power Reactor Inspection Program.

- Safety reviews, design changes, and modifications
- Maintenance and surveillance
- Physical Security assessment
- Spent fuel pool safety
- Occupational radiation exposure
- Radioactive waste (radwaste) treatment, and effluent & environmental monitoring

SCE acknowledges that it is appropriate for the Commission to consider economic issues regarding decommissioning in the NDCTP, including the reasonableness of the Utilities' decommissioning cost estimates, activities, and costs. However, it is vitally important that the Commission not interfere with the NRC's active and ongoing regulation of radiological health and safety issues concerning decommissioning, as doing so would violate the NRC's exclusive jurisdiction for these issues.

### **(3)     Worker Safety**

The Utilities are committed to ensure worker safety during decommissioning and hold the welfare of employees and contractors at SONGS as a top priority. Safety is a core decommissioning principle and an integral requirement for all work completed at SONGS. SCE implements a comprehensive safety program to ensure all SONGS personnel complete decommissioning activities safely. For example, frequent safety planning, pre-job safety briefings, worksite inspections, and post-job debriefs of lessons learned are part of the everyday work environment at SONGS to ensure worker safety. The Division of Occupational Safety and Health (DOSHS), better known as Cal/OSHA, also provides oversight regarding non-radiological worker health and safety issues. SCE complies with Cal/OSHA requirements in connection with non-radiological work.



The NRC also has strict rules governing cleanup of radioactive components to protect the radiological health and safety of workers throughout the decommissioning process.

Because worker safety issues are addressed by Cal/OSHA and NRC, the Commission does not need to address these issues in this proceeding, which is generally focused on ratemaking and cost-recovery issues.

**2. Rule 2.2 – Organization And Qualification To Transact Business**

Rule 2.2 provides:

All applicants [] shall submit with their applications a copy of the entity's organizing documents and evidence of the applicant's qualification to transact business in California. If current documentation has previously been filed with the Commission, the application need only make specific reference to such filing.

**a) Articles Of Incorporation**

**(1) SCE**

A copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with Application (A.) 06-03-020, and is incorporated herein by this reference pursuant to Rule 2.2 of the Commission's Rules of Practice and Procedure.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with A.11-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase in Authorized Shares of the Series E Preference Stock filed

with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with A.12-03-004, and are incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 14, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with A.12-06-017, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with A.13-01-016, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with A.14-03-013, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series J Preference Stock filed with the California Secretary of State on August 19, 2015, and presently in effect, certified by the California Secretary of State was filed with the Commission on October 2, 2015, in connection with A.15-10-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series K Preference Stock filed with the California Secretary of State on March 2, 2016, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2016, in connection with A.16-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series L Preference Stock filed with the California Secretary of State on June 20, 2017, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 30, 2017, in connection with A.17-06-030, and is incorporated herein by this reference.

Copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 12, 2021, pursuant to General Order Nos. 65-A and 104-A of the Commission.

**(2) SDG&E**

SDG&E is a corporation duly created under the laws of the state of California. A certified copy of the Restated Articles of Incorporation of San Diego Gas & Electric Company presently in effect and certified by the California Secretary of State was filed with the Commission on September 10, 2014, in connection with SDG&E's A.14-09-008 and is incorporated herein by reference.

**3. Rule 2.4 – California Environmental Quality Act (CEQA) Compliance**

Rule 2.4(c) states that any application for authority to undertake a project that is statutorily or categorically exempt from CEQA requirements shall so state, with citation to the relevant authority. Public Resources Code § 21080(b)(8) states that CEQA does not apply to the "establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies." Therefore, CEQA does not apply to this Joint Application.

**C. Compliance with Prior Commission Decisions**

The Utilities are submitting supporting testimony in Exhibit SCE-08 and Exhibit SDGE-01 demonstrating compliance with prior decisions applicable to decommissioning, such as the requirement to develop the Reasonableness Framework. As demonstrated by this testimony, the Utilities have fully complied with the requirements set forth in the 2015 NDCTP

Phase 1 and Phases 2 and 3 Decisions (D.18-10-010 and D.18-11-034, respectively) and in the 2018 NDCTP Phase 1 and Phases 2 and 3 Decisions (D.19-09-003 and D.21-12-026, respectively).

**D. Index Of Exhibits**

SCE and SDG&E hereby incorporate by reference into this Joint Application the following exhibits:

**SCE Exhibits to Joint Application**

- SCE-01 Policy Testimony on Nuclear Decommissioning
- SCE-02 Testimony on the Reasonableness of SONGS 1 Nuclear Decommissioning Expenses Incurred During 2018 Through 2020
- SCE-03 Testimony on the Reasonableness of SONGS 2&3 Nuclear Decommissioning Expenses Incurred During 2018 Through 2020
- SCE-04 Testimony on the SCE 2020 SONGS 1 and SONGS 2&3 Decommissioning Cost Estimates
- SCE-05 Testimony on the 2019 Decommissioning Cost Estimate for Palo Verde Units 1, 2, & 3
- SCE-06 Testimony on 2021 SCE Trust Fund Contributions and Financial Assumptions
- SCE-07 Testimony on Future Disbursements of DOE Litigation Proceeds
- SCE-08 Testimony on Compliance With Prior Commission Decisions

**SCE and SDG&E Joint Exhibit to Joint Application**

- SCE-SDGE-01 Testimony of Southern California Edison Company and San Diego Gas & Electric Company Regarding Updates to the SONGS 2&3 Decommissioning Reasonableness Framework

**SDG&E Exhibits to Joint Application**

- SDGE-01 SDG&E's Oversight and Fiscal Management Role at SONGS, DOE Litigation Proceeds and Compliance with Prior Commission Decisions
- SDGE-02 Reasonableness of SONGS 1, 2&3 Decommissioning Activities and Costs Incurred by SDG&E in 2018 through 2020
- SDGE-03 2020 SONGS 1 and SONGS 2&3 DCE

**E. Service List**

The official service list has not yet been established in this proceeding. SCE and SDG&E are serving this Application and the public versions of supporting testimony on the service list established by the Commission in the 2018 NDCTP (A.18-03-009).

**IV.**

**CONCLUSION**

The Utilities jointly request that the Commission:

- 1) Approve as reasonable \$3.11 million (100% share, 2014 \$) incurred for SONGS 1 decommissioning projects that were completed during the 2018-2020 review period and for undistributed decommissioning expenditures incurred during the same period;
- 2) Approve as reasonable \$606.7 million (100% share, 2014 \$) incurred for SONGS 2&3 projects that were completed during the 2018-2020 review period and for undistributed decommissioning expenditures incurred during the same period;
- 3) Find that the SCE 2020 SONGS 1 DCE of \$225.9 million (100% share, 2014 \$) is reasonable;
- 4) Find that the 2020 SONGS 2&3 DCE of \$4,712 million (100% share, 2014 \$) is reasonable; and
- 5) Find that the Utilities are compliant with prior Commission NDCTP decisions and approve the 2021 Reasonableness Framework.

In addition, SCE separately requests that the Commission:

- 1) Find that the 2019 PVNGS DCE of \$594.2 million (SCE share, 2019 \$) is reasonable;

- 2) Approve SCE's request to maintain its annual contributions to the SONGS 1, SONGS 2&3, and PVNGS NDTs at \$0.00 (zero dollars), based upon the current DCEs for SONGS 1, SONGS 2&3, and PVNGS, balances as of June 30, 2021 in the SONGS 1, SONGS 2&3, and PVNGS NDTs, projected escalation rates, and current financial assumptions; and
- 3) Authorize SCE to deposit SONGS' DOE litigation proceeds into the NQNDTs.

In addition, SDG&E separately requests that the Commission:

- 1) Approve as reasonable the SCE 2020 SONGS 1 DCE for remaining SONGS 1 decommissioning work and SDG&E's 20% share of the costs (\$45.2 million, 2014 \$);
- 2) Approve as reasonable the 2020 SONGS 2&3 DCE for SONGS 2&3 decommissioning work and SDG&E's 20% share of the costs (\$942.4 million, 2014 \$);
- 3) Approve as reasonable the \$19.4 million (SDG&E share, 2014 \$) estimate of future SDG&E-only costs for SONGS 1 and SONGS 2&3;
- 4) Approve SDG&E's request to maintain its annual contributions to its SONGS 1 NDTs at \$0.00 (zero dollars), based upon the current estimate of decommissioning costs for SONGS 1, current level of funding of the SONGS 1 NDTs, projected escalation rates, and current financial assumptions;
- 5) Approve SDG&E's request to maintain its annual contributions to its SONGS 2&3 NDTs at \$0.00 (zero dollars), based upon the current estimate of decommissioning costs for SONGS 2&3, current level of funding of the SONGS 2&3 NDTs, projected escalation rates, and current financial assumptions;
- 6) Approve as reasonable the \$0.7 million (SDG&E share, 2014 \$) for SONGS 1 decommissioning expenses invoiced to SDG&E by SCE for completed distributed activities and undistributed costs for the 2018-2020 review period;

- 7) Approve as reasonable the \$118.3 million (SDG&E share, 2014 \$) for SONGS 2&3 decommissioning expenses invoiced to SDG&E by SCE for completed distributed activities and undistributed costs for the 2018-2020 review period;
- 8) Approve as reasonable the \$4.5 million (2014 \$) in SDG&E-only costs for SONGS incurred during the 2018-2020 review period; and
- 9) Authorize SDG&E to deposit DOE litigation proceeds into the NQNDTs.

Respectfully submitted,

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RYAN JERMAN  
ELIZABETH C. BROWN

By: /s/ Ryan Jerman

Ryan Jerman

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Dated: February 28, 2022

## **VERIFICATION**

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 28th day of February, 2022, at San Onofre Nuclear Generating Station,  
near San Clemente, California.

/s/ Douglas R. Bauder

Douglas R. Bauder

Vice President and Chief Nuclear Officer

SOUTHERN CALIFORNIA EDISON COMPANY



## **VERIFICATION**

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 28th day of February, 2022, at San Diego, California.

*/s/ Estela de Llanos* \_\_\_\_\_

Estela de Llanos

Vice President of Energy Procurement and Sustainability  
SAN DIEGO GAS & ELECTRIC COMPANY